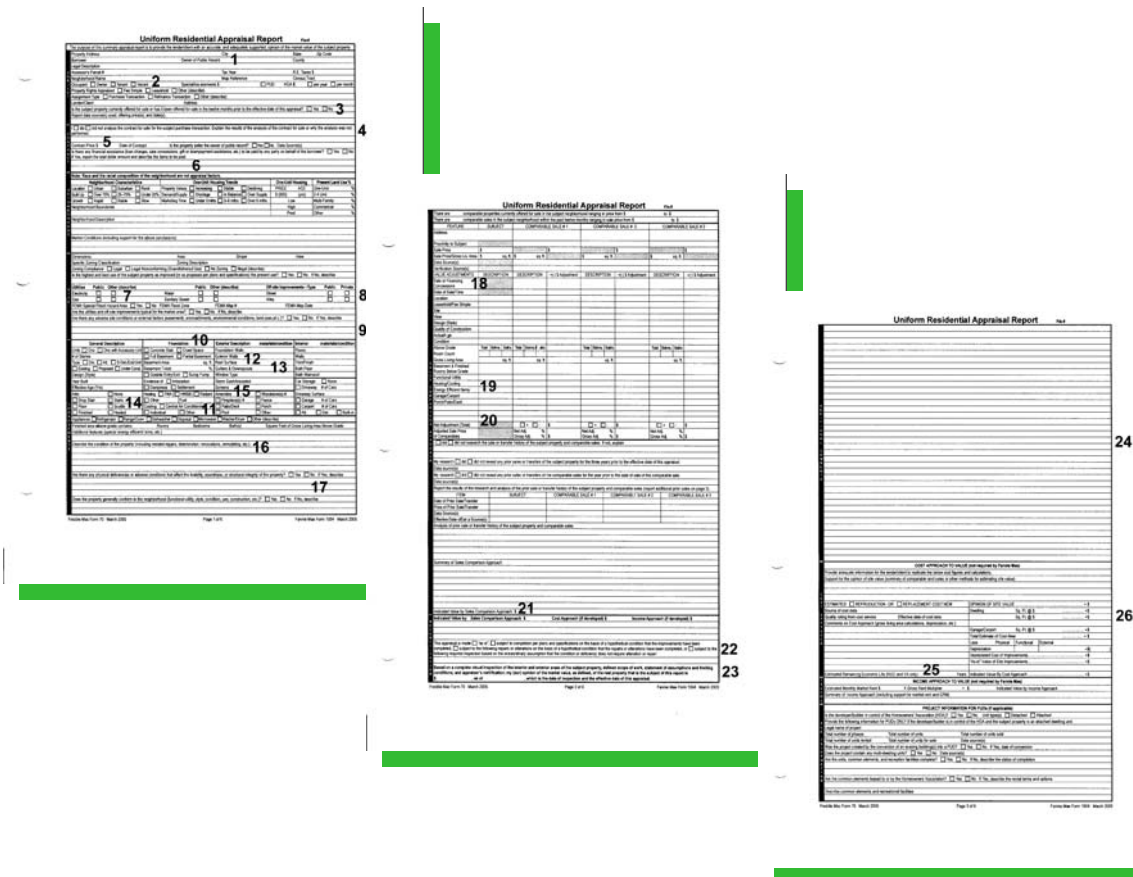


Decoding the Uniform Residential Appraisal Report

For Use with the Guaranteed Loan



The image displays three pages of a Uniform Residential Appraisal Report form. Page 1 (left) contains sections 1 through 17, including property information, appraisal data, and a list of comparable properties. Page 18 (middle) contains sections 18 through 23, including a detailed list of comparable properties and a summary of the appraisal. Page 24 (right) contains sections 24 through 26, including a final summary and a statement of the appraiser. The form is filled with handwritten data and includes various checkboxes and fields for the appraiser to complete.

Rural Development finances dreams!

<http://www.rurdev.usda.gov/wy>

Decoding the Uniform Residential Appraisal Report

For Use with the Guaranteed Loan Program

(Fannie Mae Form 1004/Freddie Mac Form 70)
March 2005 Revision



ATTENTION:

It is the HOMEBUYER'S responsibility to be an informed buyer. Homebuyers have every right to carefully examine the systems and structure of their potential new home. A separate home inspection is a smart investment to protect against expensive repairs. If a homebuyer has obtained a professional home inspection report, Rural Development can review the report to determine if any repairs will be needed to meet RD minimum property standards. **THE INSPECTION COMPLETED AS PART OF THIS APPRAISAL WILL BE FOR RURAL DEVELOPMENT PROPERTY STANDARDS ONLY.**

For further information contact:

Alan C. Brooks
Wyoming Rural Housing Programs Director
(307) 233-6715 phone
(307) 233-6739 fax

Rural Development's required minimum property inspection has now been incorporated into the URAR (1004), AND can be performed by any third party that the lender deems qualified.

A lender may deem someone qualified to complete the home inspection that is a:

- FHA Roster Appraiser
- Certified General Appraiser (153) familiar with HUD Handbooks 4150.2 and 4905.1 or
- Certified Residential Real Estate Appraiser (156) familiar with HUD Handbooks 4150.2 and 4905.1
- Recognized Home Inspector in the Lending Community

Lender needs to have non-FHA Roster appraisers note that the dwelling meets HUD Handbooks 4150.2 and 4905.1 to document compliance with this requirement. One suggested area for this comment would be on page 3 of the 1004 in the "Additional Comments" section. (4150.2 indicates on page one under "Describe the condition of the property (including needed repairs...which is paragraph 16 in this document).

Check with your local Rural Development office to see which repairs, if any require completion.

The following numbers correspond with the numbers on the attached appraisal form.

The following numbers correspond with the numbers on the attached appraisal form.

Uniform Residential Appraisal Report				File #
The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.				
Property Address		City	State	Zip Code
Borrower		Owner of Public Record	1	County
Legal Description				
Assessor's Parcel #		Tax Year	R.E. Taxes \$	
Neighborhood Name		Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant		Special Assessments \$	<input type="checkbox"/> PUD	HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)				
Lender/Client Address				
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Report data source(s) used, offering price(s), and date(s).				
I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.				
Contract Price \$ 5 Date of Contract Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s)				
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No				
If Yes, report the total dollar amount and describe the items to be paid.				
6				
Note: Race and the racial composition of the neighborhood are not appraisal factors.				
Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining		PRICE AGE One-Unit %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		\$ (000) (yrs) 2-4 Unit %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow		Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths		Low Multi-Family %
Neighborhood Boundaries				High Commercial %
Neighborhood Description				Pred. Other %
Market Conditions (including support for the above conclusions)				
Dimensions Area Shape View				
Specific Zoning Classification Zoning Description				
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)				
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe				
Utilities Public Other (describe)		Public Other (describe)		Off-site Improvements—Type Public Private
Electricity <input type="checkbox"/> <input type="checkbox"/> 7		Water <input type="checkbox"/> <input type="checkbox"/>		Street <input type="checkbox"/> <input type="checkbox"/>
Gas <input type="checkbox"/> <input type="checkbox"/>		Sanitary Sewer <input type="checkbox"/> <input type="checkbox"/>		Alley <input type="checkbox"/> <input type="checkbox"/>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input type="checkbox"/> No		FEMA Flood Zone		FEMA Map #
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe				FEMA Map Date
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe				
10				
General Description		Foundation	Exterior Description	Interior
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit		<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Floors
# of Stories		<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Walls
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit		Basement Area sq. ft.	Roof Surface	Trim/Finish
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish %	Gutters & Downspouts	Bath Floor
Design (Style)		<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Bath Wainscot
Year Built		Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Car Storage <input type="checkbox"/> None
Effective Age (Yrs)		<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	<input type="checkbox"/> Driveway # of Cars
Attic <input type="checkbox"/> None		Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	Driveway Surface
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs		<input type="checkbox"/> Other Fuel	<input type="checkbox"/> Fireplace(s) # <input type="checkbox"/> Fence	<input type="checkbox"/> Garage # of Cars
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle		Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck <input type="checkbox"/> Porch	<input type="checkbox"/> Carport # of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <input type="checkbox"/> Other	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)				
Finished area above grade contains: Rooms Bedrooms Bath(s) Square Feet of Gross Living Area Above Grade				
Additional features (special energy efficient items, etc.)				
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).				
16				
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe				
17				
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe				

Decoding the Uniform Residential Appraisal Report

For Use with the Guaranteed Loan Program

Subject:

1: Owner of Public Record: The name of the owner as listed in public records. If the seller is not the owner of public record the appraiser must explain.

2: Occupant: Choices are Owner, Tenant, or Vacant
If “Vacant” is selected then in the “improvements” section under “condition of property” the appraiser must note if the utilities were turned off at the time of the appraisal. If any utilities are off at the time of the appraisal, the appraiser *may* condition the appraisal for a satisfactory re-inspection once the utility has been turned on. If there is no re-inspection condition then the appraiser is assuming that once the utility is turned on everything will be in working order, but they are not guaranteeing utilities/heating/cooling/water heater are in working order.

3: “Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?”
This language is in the reference to possible property flipping.

Contract:

This section must be completed when the appraisal assignment involves purchase transactions. FHA requires that the appraiser be provided with a complete copy of the ratified sales contract, including all addenda, for the subject property.

4: “I did/did not analyze the contract for sale for the subject purchase transaction.
Appraiser must explain the results of the analysis, or explain why the analysis was not performed.

5: Enter contract date: The date all parties have agreed to the terms of, and signed the contract.

6: Sales concessions and down-payment assistance:

The appraiser will mark the appropriate box indication whether or not there is any further financial assistance (loan charges, sales concessions, gift or down-payment assistance, etc) paid by any party on behalf of the borrower. If necessary the appraiser may use the “Additional Comments” section on page 3 or an addendum, and enter the heading “Sales Concessions” completing the description.

If the answer is YES, the appraiser is to report the total dollar amount and describe the items to be paid. If the sale involves personal property (e.g. above ground swimming pool, lawn mower, furniture, etc.) it should be identified and excluded from the valuation.

Site:

This information provides the description of the land underlying the subject property. The appraiser will consider all aspects of the physical description and reconcile them in the opinion of market value. This section of the appraisal requires the appraiser to consider any adverse site conditions or adverse external factors that may impact value. The site dimensions are required unless a survey or plat is attached and then the dimensions may indicate “See attached (plat or survey)”.

Decoding the Uniform Residential Appraisal Report

For Use with the Guaranteed Loan Program

The image shows a sample of a Uniform Residential Appraisal Report form. The form is divided into several sections, each numbered for reference. The sections include: 1. General Information, 2. Appraisal Data, 3. Property Description, 4. Site Inspection, 5. Mechanical Systems, 6. Septic System, 7. Utilities, 8. Off-site Improvements, 9. Adverse Site Conditions, 10. Grading and Drainage, 11. Individual Water Supply and Sewage Systems, 12. Environmental Conditions, 13. Land Uses, 14. Site Hazards and Nuisances, 15. Soil Contamination, 16. Grading and Drainage, and 17. Individual Water Supply and Sewage Systems. The form is a standard industry document used by appraisers to provide a detailed assessment of a property.

7: Utilities: “Public” or “Other” will be marked. If “Other” is marked the appraiser will describe.

Mechanical chlorinators or water-flow that decreases noticeably while running simultaneous plumbing fixtures will require the appraiser to condition the appraisal with a “required inspection”.

Visual inspection of the septic system and surrounding area will be performed. If there are ***obvious or readily observable signs of system failure***, the appraiser will “require inspection” to ensure that the system is in proper working order.

8: Off-site improvements: Appraisers will indicate the road surface material, and whether it is public or private. Private roads are not acceptable for Rural Development financing.

9: Are there any adverse site conditions or external factors (Easements, encroachments, environmental conditions, land uses, etc.)?

- **Site hazards and nuisances:** Examples are but not limited to: slush pits, heavy traffic, airport noise, proximity to high pressure gas, liquid petroleum pipelines, or other volatile explosive products, high voltage transmission lines, transmission towers, excessive hazard from smoke, fumes, odors, and stationary storage tanks containing flammable or explosive materials.
- **Soil Contamination:** Examples include but are not limited to: Pools of liquid, pits, ponds, lagoons, stressed vegetation, stained soils, or pavement, drums of odor. If any of these conditions exist further analysis or testing is required. Note the proximity to dumps, landfills, industrial sites, or other sites that could contain hazardous wastes.
- **Grading and Drainage:** Examples include but are not limited to: Proper drainage control measures may include gutters and downspouts or appropriate grading or landscaping to divert the flow of water away from the foundation. The appraiser will note any standing water near the property that indicates improper drainage. Any required repairs will be noted in the **site section** of the report.
- **Individual Water Supply and Sewage Systems:** When the water is private, Rural Development will require water testing. Septic inspection will be required only if the appraiser requires a separate inspection. If the appraiser notes any readily observable deficiencies regarding the septic system they will require a third party inspection.

Decoding the Uniform Residential Appraisal Report

For Use with the Guaranteed Loan Program



Improvements:

The appraiser will accurately report the conditions observed, and describe any needed repairs, or the existence of any functional or external obsolescence.

10: Foundation/Crawl Space: The appraiser will inspect the foundation and mark if there is any:

Evidence of Infestation which included not only the house but also other structures within the legal boundaries of the property. Is there evidence of wood boring insects? Termite inspections are mandatory whenever there is evidence of decay, pest infestation, or suspicious damage.

Evidence of Dampness: The appraiser will examine the foundation/basement for dampness or readily observable evidence of water damage. Signs of past water problems may include efflorescence, mold, mildew, or stains in walls or mechanical equipment. The basement or crawl space area must not have excessive dampness or pooling of water. Sump pump installation or additional cross-ventilation may be necessary. Vapor barriers may be required in crawl spaces if moisture problems are evident. If any of these inadequacies exist,

the appraisal will be “subject to repairs” or “subject to inspection” to determine the source of problem and corrective measures necessary by a qualified party.


Evidence of Settlement: The appraiser will examine the foundation for readily observable evidence of settlement. Hairline cracks are common, however horizontal cracks, bulging walls, or separation of sill plate from top of foundation wall are critical and require inspection.

11: Mechanical Systems: The appraiser will examine mechanical, plumbing, and electrical systems to ensure that they are in proper working order. This examination consists only of turning on the applicable systems and observing their performance. Electrical, plumbing, and/or heating certifications may be called for by the appraiser when he/she cannot determine if one or all of these systems are working properly.

- Heating: FWA (Forced Warm Air), HWBB (Hot Water Baseboard), Radiant, or “Other”. If “Other” is marked provide a brief description, e.g. (electric baseboard).
- Water Heater: Tested by turning on the hot water and checking the temperature.
- Cooling: Central Air Conditioning, Individual, or “Other”. If “Other” please describe, e.g. permanently affixed fans, zoned air-conditioning, etc.
- What will the appraiser be looking for in heating/cooling?
 1. Turn the system on for functionality
 2. Are there unusual noises? Are odors or smoke emitted?
 3. Are holes or deterioration present in the unit?
 4. Does the unit turn off at the set temperature?

Decoding the Uniform Residential Appraisal Report

For Use with the Guaranteed Loan Program



12: Exterior Description: Roof Surface: The appraiser will enter the material type and rate the observed condition. The appraiser will view the roof from ground level to determine if the integrity of the roof is sufficient. The appraiser will note if there is any evidence of deterioration of roofing materials (missing tiles, shingles, flashing). Worn cupped, or curling materials are considered to be deteriorated. If the roof is otherwise unobservable, the appraiser will look for telltale signs of roof problems on the interior, e.g. water stains on the ceiling of rooms and closets.

13: Gutters and Downspouts: Rural Development requires gutters, downspouts, downspout extenders, splash blocks when noted in the appraisal or inspection that they are necessary to divert water away from the foundation.

14: Attic: The attic must be entered, at a minimum, by head and shoulders. The appraiser will observe the interior roofing for insulation, deficient materials, leaks, or readily observable evidence of water damage, structural problems, previous fire damage, FRT sheathing, exposed or frayed wiring, and adequate ventilation by vent, fan, or window. If any of these problems exist condition the appraisal on their repair and prepare the appraisal “subject to repairs” and/or “subject to inspection”.

- **Rural Development has a thermal standard of R-38 (12 inches) in Wyoming. The attic inspection will usually determine if the home meets this thermal standard. If no attic access is available a thermal waiver may be requested from your local Rural Development office.**

15: Amenities: In-ground pools: Rural Development will need to issue a waiver for any property that has an in-ground pool. Please submit your completed appraisal to your local Rural Development office as soon as possible to ensure if a property will qualify for a waiver. Above ground pools are considered personal property and have no effect on a property qualifying for guaranteed financing, and are not to be valued.

16: “Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The appraiser will describe any physical deterioration and/or functional or external depreciation noted in or on the property. A description of needed repairs for the property to meet FHA property standards will also be listed. The appraisal will be conditioned “subject to repairs”.

17: “Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?” Yes or No

A “yes” response requires an explanation, and if necessary, condition the appraisal on the “repair or alteration of the condition” or a “required inspection” by appropriately qualified individuals or entities, which may include professional engineers or tradespersons.

- **Lead Based Paint:** Correction may be required on interior/exterior such as: walls, stairs, decks, porch railings, windows, or doorframes that may be chipping, flaking, or peeling. Affected areas will be noted in this section.
- **Site hazards, roof problems, mechanical, plumbing, electrical system defects, as well as other health or safety deficiencies** may be listed under this section.

Uniform Residential Appraisal Report

File #

There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$		to \$	
There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$		to \$	
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2
Address			
Proximity to Subject			
Sale Price	\$	\$	\$
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.
Data Source(s)			
Verification Source(s)			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions	18		
Date of Sale/Time			
Location			
Leasehold/Fee Simple			
Site			
View			
Design (Style)			
Quality of Construction			
Actual Age			
Condition			
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count			
Gross Living Area	sq. ft.	sq. ft.	sq. ft.
Basement & Finished Rooms Below Grade			
Functional Utility			
Heating/Cooling	19		
Energy Efficient Items			
Garage/Carport			
Porch/Patio/Deck			
Net Adjustment (Total)	20		
Adjusted Sale Price of Comparables	Net Adj. % Gross Adj. %	Net Adj. % Gross Adj. %	Net Adj. % Gross Adj. %
I did not research the sale or transfer history of the subject property and comparable sales. If not, explain			
My research did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.			
Data source(s)			
My research did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.			
Data source(s)			
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).			
ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2
Date of Prior Sale/Transfer			
Price of Prior Sale/Transfer			
Data Source(s)			
Effective Date of Data Source(s)			
Analysis of prior sale or transfer history of the subject property and comparable sales			
Summary of Sales Comparison Approach			
Indicated Value by Sales Comparison Approach \$ 21			
Indicated Value by: Sales Comparison Approach \$ Cost Approach (if developed) \$ Income Approach (if developed) \$			
This appraisal is made "as is" subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair.			
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$, as of, which is the date of inspection and the effective date of this appraisal.			

22

23

Decoding the Uniform Residential Appraisal Report

For Use with the Guaranteed Loan Program

The image shows a portion of a Uniform Residential Appraisal Report form. The visible sections are:

- 18: Value Adjustments: Sale of Financing Concessions:** A table with columns for 'Type of Financing', 'Amount of Concession', and 'Adjustment'.
- 19: Energy Efficient Items:** A table with columns for 'Item', 'Description', and 'Adjustment'.
- 20: Adjustments (Total):** A section for calculating the total net adjustments, with fields for 'Increase (+)' and 'Decrease (-)'.
- 21: Indicated Value by Sales Comparison Approach:** A section for entering the indicated value.
- 22: THIS APPRAISAL IS MADE:** A section for describing the basis of the appraisal.
- 23: Opinion of Market Value:** A section for the final opinion of market value.

Sales Comparison Approach:

18: Value Adjustments: Sale of Financing Concessions: The appraiser will report the type of financing (FHA, RD, VA, Conventional, etc.) and amount of sales concession for each comparable sale listed. The appraiser is required to make market-based adjustments to the comparable sales for any sales or financing concessions that may have affected the sales price. The adjustment for such affected comparable sales must reflect the difference between the sales price with the sales concessions and what the property would have sold for without the concessions.

19: Energy Efficient Items: Storm windows and doors, solar installations, replacement windows, etc. Enter an adjustment for differences if warranted.

20: Adjustments (Total): (+) or (-) will indicate if the total net adjustments will increase or decrease the value and show how much. The appraiser should explain any adjustments that appear to be excessive. Gross Adjustments also need to be shown and should be explained if they are excessive.

21: Indicated Value by Sales Comparison Approach: Enter the indicated Value

Reconciliation:

If there is insufficient space in the reconciliation section to list and describe any “repairs, alterations or required inspections” noted, then the appraiser is instructed to insert a reference in the reconciliation section “see Additional Comments section on the next page” and list and describe the items under the heading “Repairs, Alterations, Required Inspections”. If necessary, due to space limitations use an addendum with same heading.

22: THIS APPRAISAL IS MADE:

“AS-IS”: There is/are no repair(s), alteration(s) or required inspection condition(s) noted.

“PER PLAN & SPECS”: The appraisal involves proposed construction or the property is under construction and less than 90% complete.

“SUBJECT TO REPAIRS OR ALTERATIONS”: An existing house that needs repair to protect the health and safety of the occupants, protect the security of the property, or correct physical deficiencies or conditions affecting the structural integrity.

“SUBJECT TO REQUIRED INSPECTION”: Inspections may be needed to certify the condition and/or status of a mechanical or structural element of the property, protect the health and safety of the occupants, or protect the security of the property.

23: Opinion of Market Value: The final opinion of market value will be listed on this line.

Uniform Residential Appraisal Report

File #

A D D I T I O N A L C O M M E N T S		
C O S T A P P R O A C H	COST APPROACH TO VALUE (not required by Fannie Mae)	
	Provide adequate information for the lender/client to replicate the below cost figures and calculations.	
	Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)	
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$
	Source of cost data	Dwelling Sq. Ft. @ \$ = \$
	Quality rating from cost service Effective date of cost data	Sq. Ft. @ \$ = \$
	Comments on Cost Approach (gross living area calculations, depreciation, etc.)	
		Garage/Carport Sq. Ft. @ \$ = \$
		Total Estimate of Cost-New = \$
	Less Physical Functional External = \$()	
	Depreciated Cost of Improvements = \$	
	"As-is" Value of Site Improvements = \$	
I N C O M E P R O J E C T I N F O R M A T I O N	INCOME APPROACH TO VALUE (not required by Fannie Mae)	
	Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach	
	Summary of Income Approach (including support for market rent and GRM)	
	PROJECT INFORMATION FOR PUDs (if applicable)	
	Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> Attached	
	Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.	
	Legal name of project	
	Total number of phases	Total number of units sold
	Total number of units rented	Total number of units for sale Data source(s)
Was the project created by the conversion of an existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion		
Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data source(s)		
Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.		
Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.		
Describe common elements and recreational facilities		

24

26

25

Decoding the Uniform Residential Appraisal Report

For Use with the Guaranteed Loan Program

Uniform Residential Appraisal Report

24

25

26

Additional Comments:

24: These comment lines provide additional space for the appraiser to fully describe any item, area or condition where the commentary exceeds the space provided in other sections of the report. THERMAL STANDARD/HUD HANDBOOKS 4150.2 and 4905.1 references may be listed in this section.

Cost Approach:

Rural Development requires the cost approach **ONLY** when the dwelling is proposed construction or less than one year old **OR** the appraiser believes that the cost approach is needed as an indicator of value.

25: Estimated Remaining Economic Life: 4150.2 p. D-35 requires this for all FHA appraisals when the cost approach is not completed. An explanation is required if the remaining economic life is less than 30 years. It is also required for RD loans as well.

26: Opinion of Site Value: This line must be completed for Rural Development so that a modest site determination can be determined.

On the following addenda page, be sure that:

1. Rural Development is also listed as intended user
2. The source for the Definition of M***** V***** must also be included, per USPAP.

Uniform Residential Appraisal Report

File #

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client. **and Rural Development**

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

Source of Definition:

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File #

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

File #

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature and Report _____
 Effective Date of Appraisal _____
 State Certification # _____
 or State License # _____
 or Other (describe) _____ State # _____
 State _____
 Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED

APPRAISED VALUE OF SUBJECT PROPERTY \$

LENDER/CLIENT

Name _____
 Company Name _____
 Company Address _____
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

GUARANTEED RURAL HOUSING CERTIFICATION OF INSPECTION FOR EXISTING DWELLING

Applicant's Name _____ Property Address _____

Lender's Name _____ Lender's Address _____

This checklist can be used for an initial assessment of an existing dwelling. Check "Yes" or "No" to indicate whether each element is in satisfactory condition.

	YES	NO	Comments
1. Streets. The site is accessible from a hard surfaced or all weather road in compliance with local requirements.			
2. Walks and Driveway. The driveway is adequate. The walks pose no safety hazard.			
3. Utilities. The house has adequate, safe, dependable utilities with sufficient easements.			
4. Foundation. The foundation is sound, with no evidence of subsidence and with no cracks, or evidence of moisture intrusion into basements, slabs, or crawlspaces. The grade at the foundation provides positive drainage away from the house.			
5. Exterior Walls. Exterior walls do not exhibit signs of structural fatigue, failure, or excessive bowing. The siding is free of any rot or paint that is loose, peeling, chipping, scaling, or cracking. Vinyl or aluminum siding is free of mildew. Brick or stone veneer is sound and exhibits no displacement.			
6. Exterior Doors and Trim. All exterior doors, including sliding doors have functional locks. All exterior doors are in good repair, including hardware.			
7. Garages. The garage is in sound condition with no obvious defects. The garage door is functional.			
8. Porches/Decks. The porches/decks are sound with no deterioration.			
9. Roof. The roof is free of leaks.			
10. Gutters and Downspouts. The gutters and downspouts are installed properly with splash blocks at the end of each downspout.			
11. Framing. Floor, sub flooring, ceiling joists, and partition framing are sound and exhibit no structural deficiencies.			
12. Interior Walls and Ceilings. The walls and ceilings exhibit no bowing, sagging, or obvious structural defects.			
13. Interior Doors and Trim. The doors are free of serious damage. Trim is sound, with no broken or missing pieces.			
14. Windows. The windows are functional and adequate. There is no loss of glazing compound, and all windows are lockable. Bedroom windows meet egress requirements.			
15. Floor Covering. The floor covering does not present a safety hazard.			
16. Cabinets and Vanity. The kitchen cabinets and counter tops are sound, with functional doors and drawers. The bathroom vanity is sound, with functional doors and drawers.			
17. Stairs. All stairs are sound and exhibit no structural deficiencies.			
18. Plumbing. The plumbing is functional and adequate.			
19. Heating and Air Conditioning. The heating and air conditioning, including exhaust fans, are functional and adequate.			
20. Electric Wiring. The electrical components are functional and adequate.			
21. Meets RD Thermal Standards. Meets RD Instruction 1924-A, Exhibit D requirements. If not, note whether similar heating/cooling costs might justify a waiver in the comments section.			
22. Sump Pumps. All sump pumps are functional and in compliance with local regulations.			
23. HUD Handbook. Property meets requirements of HUD Handbooks 4905.1 and 4150.2			
24. Smoke Detectors. Smoke Detectors are functional			

Item Number

Additional Comments

Signature of Inspector

Date of Inspection

License Number

License Expiration Date

Name of Business

Telephone Number